

Message Text

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16

ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 IO-14 AF-10 NEA-11

EUR-25 DRC-01 /212 W
----- 020311

R 132006Z FEB 74

FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 2729

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DEPT PASS TO ALL ARA CAPITALS

E.O. 11652: N/A

TAGS: ENRG, EFIN, XM, VE

SUBJECT: VENEZUELA STUDYING MEANS OF ASSISTING LATIN NATIONS
WITH OIL PURCHASES

1. VENEZUELA FINANCE MINISTER ANNOUNCED YESTERDAY, ACCORDING TO PRESS, THAT VENEZUELA HAS DECIDED TO STUDY POSSIBILITY OF INCLUDING PETROLEUM AMONG ITEMS THAT CAN BENEFIT FROM RECIPROCAL CREDIT AGREEMENTS, AND HAS ASKED OPINION OF VENEZUELAN CENTRAL BANK.

2. RECIPROCAL CREDIT AGREEMENTS ARE FACILITIES THROUGH WHICH LATIN COUNTRIES CAN PAY FOR THEIR IMPORTS FROM OTHER LATIN COUNTRIES USING THEIR OWN MONEY FOR PAYMENT DURING A PERIOD OF 4 MONTHS. AT THE END OF 4 MONTHS, THE VARIOUS CENTRAL BANKS MAKE CALCULATIONS OF AMOUNTS TO DEBIT AND CREDIT OF EACH COUNTRY AND DIFFERENCE IS PAID IN DOLLARS. VENEZUELA IS SAID TO HAVE MADE INCREASING USE OF THESE CREDITS FOR ITS TRADE WITH LAFTA COUNTRIES.

3. THIS PROPOSAL, NOW UNDER CONSIDERATION, WOULD APPEAR TO BE A LIMITED OFFICIAL USE

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STOP-GAP MEASURE WHICH WOULD ALLOW LATIN AMERICAN COUNTRIES THAT

ARE SHORT OF FOREIGN EXCHANGE TO CONTINUE UNINTERRUPTED THEIR IMPORTATIONS OF PETROLEUM FROM VENEZUELA WHILE VENEZUELA STUDIES POSSIBLE OTHER MEANS OF ALLEVIATING DIFFICULTIES CAUSED FOR SUCH COUNTRIES BY EXTREMELY HIGH CURRENT OIL PRICES.

4. PRESIDENT-ELECT CARLOS ANDRES PEREZ RECENTLY TOLD A GATHERING OF INTERNATIONAL CORRESPONDENTS THAT VENEZUELA INTENDS TO PLACE A PORTION OF LARGE REVENUES IT IS RECEIVING FROM INCREASED PRICE OF OIL IN THE CENTRAL AMERICAN DEVELOPMENT BANK AND IN SUCH PROJECTS AS AN OIL REFINERY IN COSTA RICA AND A PAPER PULP MILL IN HONDURAS. THIS INFORMATION COMES FROM AN OFFICIAL SUMMARY RELEASED BY PRESIDENT-ELECT'S PRESS OFFICE. PRESUMABLY THESE MATTERS WILL BE DISCUSSED FURTHER WITH PRESIDENT-ELECT OF COSTA RICO WHO IS NOW PAYING A PERSONAL VISIT TO CARLOS ANDRES PEREZ AT A VENEZUELAN BEACH RESORT.
MCCLINTOCK

NOTE BY OC/T: CARACAS 1391 NOT PASSED.

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NNN

Message Attributes

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Copy: SINGLE
Draft Date: 13 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Markings:

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30 JUN 2005

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